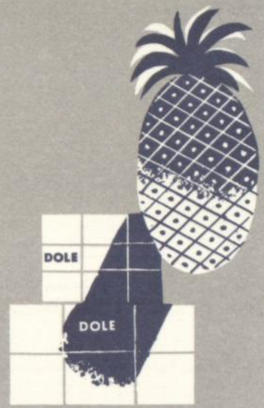
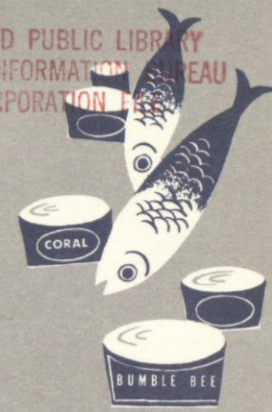




1957

ANNUAL REPORT

CASTLE & COOKE, LTD.

CASTLE & COOKE, LIMITED

DIRECTORS

J. BALLARD ATHERTON	J. H. MIDKIFF
E. E. BLACK	GEO. G. MONTGOMERY
A. G. BUDGE	R. E. MORTON
W. M. BUSH	FREDERICK SIMPICH, JR.
H. K. L. CASTLE	A. F. STUBENBERG
S. N. CASTLE	HENRY A. WHITE
MALCOLM MacNAUGHTON	H. W. B. WHITE

OFFICERS

A. G. BUDGE	President
MALCOLM MacNAUGHTON	Executive Vice-President
H. K. L. CASTLE	Vice-President
S. N. CASTLE	Vice-President
FREDERICK SIMPICH, JR.	Vice-President and Secretary
W. M. BUSH	Vice-President and Treasurer
L. J. HOUGHTON	Assistant Treasurer
HOWARD HUBBARD	Assistant Treasurer
HENRY B. CLARK, JR.	Assistant Treasurer and Assistant Secretary
L. F. DEACON	Assistant Secretary
W. M. HALE, JR.	Assistant Secretary
H. M. RICHARDS	Assistant Secretary

J. F. MURPHY	Director, Industrial Relations
W. R. NORWOOD	Director, Public Relations

AUDITOR

HASKINS & SELLS

STOCK TRANSFER AGENTS

Hawaiian Trust Co., Ltd.	Honolulu
Wells Fargo Bank	San Francisco

REGISTRARS

Bishop Trust Co., Ltd.	Honolulu
American Trust Co.	San Francisco

THE PRESIDENT'S LETTER

To the Stockholders of Castle & Cooke, Limited:

Generally 1957 was a good year for Castle & Cooke and the territory as a whole. Results for the year, however, should be examined in relation to the business outlook which shows some problem areas. The mainland recession which had slight effect upon the islands in the past year may be paralleled by some business decline in Hawaii in 1958. Federal spending and construction activity are expected to continue at high levels, although the tourist trade may level off from the previous sharp rate of growth. The otherwise generally encouraging prospects for 1958 were overshadowed by the sugar strike which was in effect when this report was written.

On September 3, 1957, the company's stock was split on a two-for-one basis reducing the par value of the shares from $20 to $10.

Adjusted earnings for Castle & Cooke in 1957 were $1,993,135, the equivalent of $2.51 per share which compares with $1,972,340, or $2.48 per share in 1956. Dividends of $1.675 per share were paid.

Continuation of the construction boom contributed substantially to the high volume of cargo from which we derive income through our stevedoring subsidiary and as freight agent for Matson and other carriers. Building activities have also stimulated sales of trucks, tractors and other industrial machinery benefiting our equipment sales subsidiary.

Honolulu Oil Company, from which we receive a substantial portion of our investment income, had another good year. Columbia River Packers in which we acquired a 12 per cent interest as a result of the merger of Hawaiian Tuna Packers in 1956, also showed satisfactory results.

Hawaiian Pineapple Company earnings, on the other hand, were down substantially and dividends were reduced. The company encountered serious marketing problems necessitating a reevaluation of its diversification program. Reduced dividends from Hapco in turn adversely affected the earnings of Helemano Company which owns 31.5 per cent of Hawaiian Pine stock.

Matson earnings showed a sharp drop, due largely to much higher operating costs. The company is currently engaged in an extensive research program looking to eventual development of containerization of cargo.

Higher prices for sugar offset lower molasses prices so that 1957 was a fair year for the sugar industry. Ewa reported higher tonnage and improved earnings. Kohala had a larger crop but profits dropped slightly. Waialua's tonnage was under the previous year and profits were down. The long range outlook for the industry is clouded by implications of the sugar strike.

Whatever effect the strike may have upon costs, crops and market, the difficulty underscores the dilemma confronting the management and employes. On the one hand industry must operate under strict price controls and try to maintain its position in an increasingly competitive market. While continued improvement in methods, machines, materials and cane varieties may partially offset cost increases, the industry appears to have reached a point of diminished opportunity to pay for higher wages through mechanization and technological changes.

On the other hand, the employes as citizen of the community understandably aspire to standards of living which our education system and competitive mode of life encourages them to seek. The problem is how to bring the aspirations of employes into some reasonable balance with the capacity of the industry to pay for them and return a profit to stockholders.

Turning now to the general business outlook we find encouraging signs of vigorous effort to broaden and strengthen Hawaii's economy. Various governmental agencies and community groups, with help from private industry are trying to create a climate conducive to business growth. This is an undertaking in which representatives of both political parties, large and small industries and all segments of the community have an opportunity for cooperative effort.

It is the belief of your company's management that Hawaii's economic future, as well as the political and social development, would be strengthened by statehood. It is our hope that 1958 will record further progress toward this long sought goal.

The following pages of this report contain brief individual reports on our divisions, subsidiaries and companies from which we derive our income.

AJ Budge

SUGAR

The three plantations in which Castle & Cooke is interested produced 173,046 tons of sugar in 1957, slightly up from 168,799 tons in 1956. While Ewa and Kohala showed increases, Waialua's production fell off from the previous year.

The average return of $121.08 per ton of sugar for 1957 was greater than the $118.40 return for 1956. Molasses, on the other hand, experienced a substantial decline in price. In 1957, a ton of molasses returned $17.69 on the average, compared with $27.00 per ton in 1956. The modest increase in the average return for sugar, however, was inadequate to meet the rising costs in material, services and labor plus the loss in molasses income.

The prices that prevailed during the first half in the markets where Hawaii's sugar is sold were not to be realized during the second six months due to quota increases determined by the Department of Agriculture. Through adjustment of quotas, this government agency, under the provisions of the Sugar Act, attempts to maintain fair prices in the domestic market. Greater recognition needs to be given by the department to the progressively narrowing margin between prices and rising costs of the sugar producer.

There follows a brief summary of the 1957 results for each of the sugar companies in which Castle & Cooke is interested.

EWA PLANTATION COMPANY

Aided by favorable growing weather during the 1956-57 crop cycle, Ewa produced 61,392 tons in 1957, compared to 57,727 tons in 1956. This was the fourth largest crop in Ewa's history.

With increased production plus a higher return for sugar, this company earned $711,390 in 1957, up from $648,619 in 1956. Dividends of $2.00 per share were paid.

KOHALA SUGAR COMPANY

Kohala production of 48,627 tons in 1957 was the second highest in its history. For the third time in succession, production of the previous year was exceeded by approximately 2,000 tons.

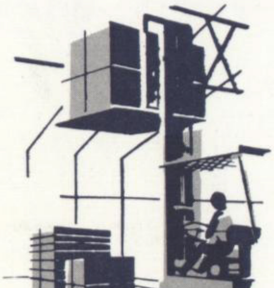
Near optimum conditions, good management, plus hard work and cooperation among all employes continued the favorable trend throughout 1957.

Profits were $313,464 compared to $323,245 in 1956. Kohala is a wholly-owned subsidiary and its earnings are consolidated with those of Castle & Cooke.

WAIALUA AGRICULTURAL COMPANY

A combination of unfavorable weather, tidal wave and other factors caused a drop in production from 64,374 tons in 1956 to 63,027 in 1957. Profits in 1957 were $482,756, compared with $652,216 in 1956. Dividends of 70 cents per share were paid.

STEVEDORING AND SHIPPING



Significant changes in cargo handling methods are in prospect. Our staff has actively participated with Matson in evaluation of research studies and in development of plans looking to new procedures.

Although Castle & Cooke is not actively engaged in the passenger business, we recognize the importance of the tourist trade to Hawaii's economy. We have given close attention to developments in this area and have supported efforts by the Hawaii Visitors Bureau to strengthen Hawaii's position in the travel industry.

CASTLE & COOKE TERMINALS

More than two million tons of cargo were handled in 1957, the highest volume since 1945. Continued labor stability combined with high volume enabled the company to show a satisfactory return. As a result of construction activity in Hawaii it is expected that tonnages will remain large in 1958.

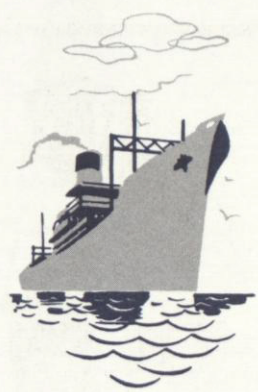
Meantime, the company's organization has been strengthened and plans developed in recognition of the trend toward bulk cargoes and new concepts in packaging and shipping.

FREIGHT AGENCY

Coincident with major organizational changes in Matson, the freight agency expanded its services to the carrier. The record peacetime freight volume required personnel additions to the traffic, claims and husbandry divisions. The freight sales staff was enlarged to maintain coverage of new accounts.

MATSON LINES

During the year this company completed the first phase of an extensive research program envisioning substantial changes in cargo handling methods and ship design. It is expected that in 1958 the studies will be refined and experiments conducted to test various types and sizes of cargo containers.



Meanwhile, the company's freight tariff has been increased with approval of the Federal Maritime Board, in an effort to meet steadily rising operating costs.

Consolidated net profit for 1957 was $2,510,000 compared to $4,987,000 in 1956, or $1.67 per share compared to $4.32 per share for the respective years.

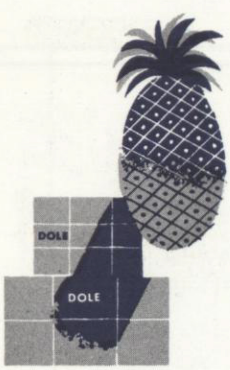
Correction: Matson's 1956 profit per share should read $3.32.

Matson's passenger fleet was augmented during the year by addition of the Matsonia which joined the Lurline in the California-Hawaii service in June. The Matson-Oceanic liner, Monterey, a sister ship of the Mariposa, was placed on the Australia-South Pacific run in January.

PINEAPPLE AND LAND

HAWAIIAN PINEAPPLE COMPANY, LIMITED

Two years of excessive mainland fruit and juice packs and the competitive conditions fostered by this situation continue to affect adversely the sales and profit margins of this company.



For the first quarter of Hapco's current fiscal year a 20 cent cash dividend was paid. For the second quarter a two per cent stock dividend was declared and the dividend for the third quarter was omitted.

Despite this situation, Castle & Cooke regards its investment in Hawaiian Pineapple Company as having sound long-term value. Early in the year Hawaiian Pineapple Company offered a new block of stock for purposes of improving its cash position. Both Castle & Cooke and Helemano purchased their pro rata shares.

Effective January 1, 1958, the directors elected Henry A. White, who had been president since 1941, chairman of the board. H. C. Cornuelle, vice president in charge of Hawaii plantation and manufacturing operations, was elected to succeed Mr. White as president.

HELEMANO COMPANY, LTD.

Earnings in 1957 were $931,561 compared with $644,429 in 1956. Dividends of $1.10 were paid. The increase in profit is attributable to capital gains of $425,113 credited to 1957. Hawaiian Pineapple dividend income was reduced for reasons noted above.

In September a real estate development group acquired 145 acres of fee simple land from Helemano for subdivision and resale as homesites. The property included about 75 acres adjoining the town of Wahiawa and the remainder was composed of disconnected parcels in Waialua and Haleiwa.

As a result of this sale the stockholders voted to liquidate Realty Development Company which had been formed in 1955 with the expectation of acquiring and subdividing the Helemano property.

BLACKHAWK RANCH

This property comprises 6,556 acres of ranch and walnut orchard land in Contra Costa County, California, and is jointly owned by Castle & Cooke and Helemano Company. It was purchased in 1956 in anticipation that its value would appreciate with the industrial and residential growth of the area.

The firm of Skidmore, Owings & Merrill of San Francisco, made a study of the property in 1957 to determine future development possibilities. The study included an analysis of topography, water and sewerage requirements, road systems, population trends and other factors.

While this has provided a preliminary evaluation of various possibilities there are no plans for immediate development. Meantime, income from the walnut orchard and small ranching operation is sufficient to cover carrying costs.

MERCHANDISING

COLUMBIA RIVER PACKERS

This was the first full year in which Hawaiian Tuna Packers, formerly a subsidiary of Castle & Cooke, has operated as a division of Columbia River Packers. It was the best year in the post-war history of the parent firm with sales of $18,833,740 and profits after taxes of $767,419.

Research and conservation efforts in Alaskan and Puget Sound waters are beginning to result in improved salmon catches. Popularity of the Bumble Bee brand under which the company packs salmon, crab, tuna and other seafood continues to be reflected in expanding sales at satisfactory prices.

In time it is expected an increasing portion of the company's light meat tuna requirements will be provided by the Hawaiian Tuna Packers division from fish caught in this area.

HAWAIIAN EQUIPMENT COMPANY

Staff changes and realignment of responsibilities have enabled this company to maintain an encouraging volume of business despite intense competition. As new equipment sales increase, the parts and shop work grow proportionately. Both of these departments had a good year. Earnings are consolidated with those of Castle & Cooke.

KENTRON HAWAII, LIMITED

Organized in September, 1956, with staff assistance and a 24 per cent investment interest by Castle & Cooke, this small electronics company began manufacture and sale of television picture tubes in July, 1957. The company also has been furnishing overhaul and repair service for the Armed Services in the Pacific Area.

Kentron picture tubes are of excellent quality and have gradually gained acceptance by dealers and distributors, but by the year end sales had not yet attained a profitable volume. The electronics division, however, won a contract for overhaul of Air Force equipment September 1 and, with a steadily increasing amount of other military and commercial repair work, was breaking even at the year end.

MACADAMIA DIVISION

As in 1956, sale of Royal Hawaiian macadamia nuts, produced, processed and packed at our Keaau Orchard, was again limited to the New York City area. This year the sales were supported for the first time by a modest advertising and publicity program. Based on the experience, plans are now being made for development of additional metropolitan markets to absorb the larger crop due in 1958.

Plant facilities at Keaau are being expanded to accommodate the increased volume and orchard conditions continue to be satisfactory.

OTHER INVESTMENTS

HONOLULU OIL

This company had one of its best years with earnings of $3.87 per share as against $3.68 in 1956. Although Castle & Cooke has no operating interest in Honolulu Oil, our 4.27 per cent stock investment provides a substantial source of income.

Easing of the Suez crisis resulted in restoration of government restrictions which had previously been relaxed to meet the heavy demand for oil from American sources. Although these restrictions have the effect of limiting production in several promising areas the company is continuing encouraging development of oil sources in Texas, Alberta and Northern British Columbia in conjunction with other producers.

Near completion of the oil pipe line linking Southern California with southeastern Utah has enhanced Honolulu Oil's 150,000 acre holding in this area.

HOME INSURANCE COMPANY

A rising level of automobile losses together with a severe December storm resulted in substantially higher claims than usual against the Home Insurance Co. The result was an earnings decline from the record level of 1956. Nonetheless, the company's underwriting results continued to be better than those experienced by concerns on the mainland. The dividend, continued at the rate of $1.50 per share, was amply covered.

All of the companies in which Castle & Cooke is financially interested, including several not mentioned in the foregoing report, are listed on page 11 together with statistics showing the number and per cent of shares held.

CONSOLIDATED INVESTMENTS OF CASTLE & COOKE, LIMITED*

AS OF DECEMBER 31, 1957

STOCK INVESTMENTS:	Shares Outstanding	Number of Shares Held	% of Total Outstanding
Bay & River Navigation Co.	17,000	2,925	17.21
Bishop Trust Co., Ltd.	120,493	3,000	2.49
Blackhawk Ranch Co.	15,000	7,500	50.00
Calif. & Hawn. Sugar Ref. Corp., Ltd.	151,785	4,386	2.89
Columbia River Packers Assn., Inc.	379,275	45,000	11.86
Ewa Plantation Company	240,000	65,000	27.08
Hawaiian Development Co., Ltd.	5,700	221	3.88
Hawaiian-Philippine Co. (Pfd.)	398,778	9,917	2.49
Hawaiian Pineapple Co., Ltd.	2,110,992	321,000	15.21
Hawaiian Trust Co., Ltd.	87,500	3,150	3.60
Helemano Co., Ltd.	520,000	170,390	32.77
Home Insurance Co. of Hawaii, Ltd.	125,000	50,000	40.00
Honolulu Oil Corporation	3,750,972	160,000	4.27
Kentron Hawaii, Ltd. (Pfd.)	10,000	4,500	45.00
Kentron Hawaii, Ltd. (Common)	110,000	24,038	21.85
Kohala Ditch Company, Limited	5,000	5,000	100.00
Matson Navigation Company	1,500,000	204,720	13.65
Waialua Agricultural Co., Ltd.	600,000	206,428	34.40

* Includes the following subsidiaries whose financial position and operating results are consolidated with those of Castle & Cooke, Limited:

Castle & Cooke Terminals, Ltd.	60,000	60,000	100.00
Hawaiian Equipment Co., Ltd.	150,000	150,000	100.00
Kohala Sugar Co.	130,000	129,838	99.88

STATEMENT OF CONSOLIDATED FINANCIAL CONDITION

AS OF DECEMBER 31

	1957		1956	
CURRENT ASSETS:				
Cash	$ 2,105,187		$ 2,510,395	
Marketable Securities at Cost Less Amortization	2,832,179		2,068,526	
Accounts Receivable	1,510,966		2,384,507	
Notes Receivable	100,000		100,000	
Inventories:				
Merchandise at Lower of Cost or Market	1,468,211		1,800,233	
Supplies at Cost	906,904		767,852	
Prepaid Expenses	63,294		57,015	
Total Current Assets		$ 8,986,741		$ 9,688,528
DEDUCT CURRENT LIABILITIES:				
Accounts Payable	$ 3,250,920		$ 3,592,504	
Notes Payable (Note 1)	812,198		800,000	
Income Taxes Payable	858,961		962,819	
Total Current Liabilities		4,922,079		5,355,323
NET CURRENT ASSETS		$ 4,064,662		$ 4,333,205
GROWING CROPS—STATIC VALUE (Note 2)		1,000,000		1,000,000
INVESTMENTS at Book Value		10,400,612		9,415,801
LAND at Cost		2,727,000		2,729,006
BUILDINGS AND EQUIPMENT	$12,288,150		$11,715,877	
Less Reserve for Depreciation	7,400,169		6,653,535	
		4,887,981		5,062,342
NOTES RECEIVABLE		473,956		603,101
DEFERRED CHARGES		65,873		105,478
		$23,620,084		$23,248,933
DEDUCT:				
Notes Payable, Due After One Year (Note 1)	$ 750,000		$ 1,000,000	
Reserves:				
Insurance and Other	56,504		43,881	
Contingencies	....		30,000	
Minority Interest in Subsidiary	8,680		8,614	
		815,184		1,082,495
EXCESS OF ASSETS OVER LIABILITIES AND RESERVES		**$22,804,900**		**$22,166,438**
STOCKHOLDERS' EQUITY:				
Capital Stock (Note 3)				
Authorized and Issued	$10,000,000		$10,000,000	
Capital Paid-In Over Par Value of Stock	396,155		396,155	
Capital Arising from Acquisition of Subsidiaries' Stock	2,406,864		2,406,864	
Accumulated Earnings Invested in the Business	13,070,248		12,377,785	
		$25,873,267		$25,180,804
Less Treasury Stock at Cost	(206,166 Shares)	3,068,367	(102,083 Shares)	3,014,366
TOTAL STOCKHOLDERS' EQUITY		**$22,804,900**		**$22,166,438**

STATEMENT OF CONSOLIDATED EARNINGS

AND

ACCUMULATED EARNINGS INVESTED IN THE BUSINESS

FOR THE YEARS ENDED DECEMBER 31

	1957		1956	
INCOME:				
Agency Fees		$ 1,581,524		$ 1,475,396
Dividends		1,482,353		1,318,369
Interest		64,232		55,607
Gross Receipts (Subsidiaries) (Note 4)	$21,560,939		$23,121,777	
Less: Cost of Sales and Direct Expenses	17,333,269		18,183,595	
Gross Margin (Subsidiaries)		4,227,670		4,938,182
Rentals—Equipment		434,946		435,678
Rentals—Other		65,927		60,470
Miscellaneous—Net		124,535		234,479
Total Income		$ 7,981,187		$ 8,518,181
OPERATING EXPENSES (Note 5)		4,962,186		5,466,753
NET INCOME Before Provision for Income Taxes		$ 3,019,001		$ 3,051,428
PROVISION FOR INCOME TAXES:				
Federal	$ 950,251		$ 987,574	
Territorial	75,210		91,345	
		1,025,461		1,078,919
NET INCOME		**$ 1,993,540**		**$ 1,972,509**
Less Minority Interest in Net Earnings of Subsidiary		405		169
NET INCOME, CASTLE & COOKE, LIMITED		**$ 1,993,135**		**$ 1,972,340**
ACCUMULATED EARNINGS INVESTED IN THE BUSINESS—JANUARY 1		12,377,785		11,088,421
ADD:				
Reserve for Contingencies Transferred to Accumulated Earnings		30,000		....
Reserve for Excessive Cost of Plant and Equipment Replacement		....		511,000
		$14,400,920		$13,571,761
LESS:				
Dividends Paid		1,330,672		1,193,976
ACCUMULATED EARNINGS INVESTED IN THE BUSINESS—DECEMBER 31		**$13,070,248**		**$12,377,785**

FINANCIAL NOTES

1. Notes payable in the amount of $1,562,198 consist of (1) $562,198 Hawaiian Equipment Company, Limited, note payable to the Bishop National Bank. Certain trucks and other equipment are pledged as security for this note. (2) $1,000,000 unsecured Castle & Cooke, Limited, note payable to American Trust Company in five annual installments.
2. Growing crops of Kohala Sugar Company are stated at a static value which is less than the current cost of the crops.
3. The capital stock of the Company was split on a two for one basis on September 3, 1957. The par value of the stock was reduced from $20.00 per share to $10.00 per share, thereby increasing the authorized and issued capital stock of the Company from 500,000 shares to 1,000,000 shares.
4. Consistent with the accounting procedures for sugar plantations, conditional compliance payments are recorded in the year in which they are received, although the payment is based on the crop of the preceding year. Included in gross receipts in 1957 and 1956 are the amounts of $384,849 and $374,077 respectively, received by Kohala Sugar Company.
5. Included in operating expenses is depreciation which has been calculated on the straight line method except for certain equipment purchased subsequent to 1953 on which depreciation has been calculated on the "sum of the years' digits" method. Depreciation taken during 1957 and 1956 was $850,327 and $895,828 respectively.

6. There are outstanding options in favor of officers and employes of Castle & Cooke, Limited, and one subsidiary, under which they have or may acquire rights to purchase an aggregate of 20,000 shares of treasury stock of Castle & Cooke, Limited, at an option price of $27.00 per share.

7. Contingent Liabilities:
The outstanding balance at December 31, 1957 of accounts and notes receivable of Hawaiian Equipment Company, Limited, discounted at the Bishop National Bank was $673,342, and those discounted at Central Pacific Bank was $115,505.

Not included in the Statement of Financial Position are unfunded commitments for retirement plans in effect for active employes of the Company and its subsidiaries amounting to approximately $1,150,000 at December 31, 1957. Payments to insurance underwriters in 1957 for the insured plans were $745,000, of which approximately $598,000 was on account of current service cost and $147,000 was applied to the unfunded commitments.

The effect of the existing strike upon the financial status of Kohala Sugar Company is not known. At the strike's inception, a mutual assistance pact was signed by 26 plantations to provide that a portion of the unusual losses on future crops of the more severely damaged plantations would be shared by those who, by reason of more favorable circumstances, might be less affected. The extent of this aid, if any, from or to Kohala Sugar Company cannot now be determined.

8. Principles of Consolidation:
Companies in which Castle & Cooke, Limited, owns substantially all of the outstanding stock have been consolidated in the accompanying financial statements. These companies include:
    1. Castle & Cooke Terminals, Limited
    2. Hawaiian Equipment Company, Limited
    3. Kohala Sugar Company

AUDITOR'S CERTIFICATE

To the Stockholders of

Castle & Cooke, Limited:

We have examined the Statement of Consolidated Financial Condition of Castle & Cooke, Limited, and its subsidiaries at December 31, 1957, and the Statement of Consolidated Earnings and Accumulated Earnings Invested in the Business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Statements of Consolidated Financial Condition, Consolidated Earnings and Accumulated Earnings Invested in the Business and related notes present fairly the consolidated financial position of Castle & Cooke, Limited, and its subsidiaries at December 31, 1957, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS
Certified Public Accountants

Honolulu, Hawaii
March 15, 1958